GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3462
ANSWERED ON:26.04.2007
REVIVAL OF HCL AND BPCL
Vijay Krishna Shri

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Hindustan Cables Ltd. (HCL) and Bharat Pumps & Compressors Ltd. (BPCL) have turned sick and referred to the Board for Reconstruction of Public Sector Enterprises (BRPSE) for their revival;

(b) if so, the details thereof;

(c) the reasons for the sickness of the respective PSUs; and

(d) the current status of their revival proposals?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SMT. KANTI SINGH)

(a) Hindustan Cables Limited (HCL) is sick and is under reference to Board for Industrial and Financial Reconstruction (BIFR). A proposal for its revival is under consideration of Board for Reconstruction of Public Sector Enterprises (BRPSE).

Bharat Pumps & Compressors Limited (BPCL) was sick and was referred to BRPSE in 2005. The Government, on the basis of the recommendation of BRPSE, sanctioned the revival plan. BPCL was discharged from the purview of Sick Industrial Companies (Special Provision) Act by BIFR on 06.02.2007 and is now no longer a sick company.

(b) to (d): The proposal for future of HCL was submitted to BRPSE on 07.11.2005, which came up for consideration on 11.09.2006. BRPSE recommended that a further holistic study of HCL, unit wise & company as a whole, should be commissioned through IIT, Kharagpur. IIT, Kharagpur has been entrusted the study on 17th January 2007 accordingly with the request to submit its report within four months. Hindustan Cables Limited (HCL) became sick, inter-alia, because there was sharp drop in demand for its main product i.e. Poly Insulated jelly Filled (PIJF) Cables due to technological changes. Also the cost of production of one unit of PIJF Cables by HCL is presently more than the price officered by BSNL/MTNL, the main customer of the product.